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**FARM TENANT
LOANS**



**An explanation
of the
Tenant Purchase Program**

U. S. DEPARTMENT OF AGRICULTURE
U. S. FARM SECURITY ADMINISTRATION
WASHINGTON, D. C.

More than two out of every five farmers in the United States are tenants, farming land they do not own, and their ranks are increasing rapidly. One tenant out of every three moves to a new farm each year. In many areas the result is a gradual impoverishment of landlords, tenants, and the land itself.

As one approach to the solution of this problem, Congress has passed the Bankhead-Jones Farm Tenant Act, to provide loans to help a limited number of competent tenants, sharecroppers, and farm laborers purchase their own land, and has appropriated \$10,000,000 for this purpose for the fiscal year beginning July 1, 1937. The Farm Security Administration has been designated to carry out the program.

Here are the answers to the questions most frequently asked about the program.

1. Where will loans be made?

Funds have been allotted to each State and Territory on the basis of its farm population and the prevalence of tenancy. Loans will be made in about 300 counties in the respective States and Territories.

2. How will these counties be selected?

By the Secretary of Agriculture with the advice of State Farm Security Advisory Committees. The selection will be based on the farm population and prevalence of tenancy, the availability of good land, and other pertinent factors.

3. How many loans will be made in each county selected?

About seven. It is estimated that funds available this year will be enough for approximately 2,100 loans, to be spread among the 300 counties in the several States. Regulations provide that there shall be not more than ten nor less than five loans in each county, except in States where the total number of loans will be less than five.

4. Who may apply for tenant purchase loans?

United States citizens who are farm tenants (not owners), sharecroppers, farm laborers, or others who obtain or recently have obtained most of their income from farming.

Preference will be given to married persons or persons with dependent families; to persons able to make a down payment; or to persons who own livestock and equipment necessary to carry on farming operations.

No loans will be made to persons who can obtain an adequate loan for the purchase of a farm from other sources at reasonable terms.

5. How should loan applications be made?

If you are in a county designated as one in which loans are to be made this year, obtain an application blank from the County Rehabilitation Supervisor who serves your county. Fill it out carefully and return it to him, either personally or by mail. It usually is advisable to call at his office and talk the matter over with him or his assistant.

If you do not know the Supervisor's address, it may be obtained from your County Agricultural Agent.

6. If my county is not selected for loans, may I apply in another county?

No. Because of the limited funds available, applications must be restricted to residents of the 300 selected counties.

7. How will persons who will receive loans be selected from the large number who may apply?

Congress has provided that county committees of three farmers shall certify which applicants by reason of character, ability, and experience are likely successfully to carry out the under-

takings required under a loan to purchase a farm.

It is recognized that limitations of funds will make it possible to grant loans to only a limited number of worthy and deserving applicants this year.

8. What kind of farms can be purchased?

A family-sized farm which can in general be operated with the labor available in the family. It should be large enough to provide a living for the borrower and his family and enable him to retire the loan for the purchase of his farm.

9. How will the farms be selected?

Applicants who will receive loans will be given a wide choice in selecting the farms they want to buy. The price of the property, however, must be in keeping with its value, as determined by the county committee and the FSA. Preference will be given to farms needing a minimum outlay for repairs and improvements.

10. What help will FSA give to applicants who receive a loan?

The Farm Security Administration will assist applicants who receive loans in developing sound farm and home management plans, preparing operating budgets, and maintaining businesslike records.

11. Will loans be large enough to cover building repairs and other farm improvements?

Yes, to a limited extent.

12. Can I get a loan to finish paying for the farm I am now buying?

No. Farm owners are not eligible, and refinancing loans will not be made.

13. Must I have a farm selected before I can apply?

No. It is usually advisable to talk with the county supervisor and county committee before choosing a farm.

14. What are the terms of the loans?

Loans are made for a 40-year period at 3 per-cent interest.

15. How large will the annual payments be?

Annual payments of 4.3 percent of the sum borrowed will cover both interest and principal.

16. May I pay off the entire loan in less than 40 years?

Yes. The Act provides that after 5 years payment in full may be made at any time.

17. How will the loans be secured?

By a first mortgage or deed of trust on the farms purchased. The borrower must agree to pay taxes and insurance on the farm buildings, to keep the farm in repair, and prevent waste and exhaustion of the land.

Farm Security Administration Regional Offices

REGION I

HEADQUARTERS: Washington, D. C.

STATES: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey, New York, Pennsylvania, Delaware, Maryland, and District of Columbia.

REGION II

HEADQUARTERS: Milwaukee, Wis.

STATES: Michigan, Wisconsin, and Minnesota.

REGION III

HEADQUARTERS: Indianapolis, Ind.

STATES: Missouri, Ohio, Illinois, Iowa, and Indiana.

REGION IV

HEADQUARTERS: Raleigh, N. C.

STATES: West Virginia, Virginia, Kentucky, Tennessee, and North Carolina.

REGION V

HEADQUARTERS: Montgomery, Ala.

STATES: South Carolina, Georgia, Alabama, and Florida.

REGION VI

HEADQUARTERS: Little Rock, Ark.

STATES: Arkansas, Mississippi, and Louisiana.

REGION VII

HEADQUARTERS: Lincoln, Nebr.

STATES: North Dakota, South Dakota, Nebraska, and Kansas.*

REGION VIII

HEADQUARTERS: Dallas, Tex.

STATES: Texas * and Oklahoma.*

REGION IX

HEADQUARTERS: San Francisco, Calif.

STATES: California, Nevada, Utah, and Arizona.

REGION X

HEADQUARTERS: Denver, Colo.

STATES: Colorado,* Wyoming, and Montana.

REGION XI

HEADQUARTERS: Portland, Oreg.

STATES: Washington, Oregon, Idaho, and Alaska.

REGION XII

HEADQUARTERS: Amarillo, Tex.

STATES: New Mexico, Colorado,* Texas,* Oklahoma,* and Kansas.*

* Only portions of each State.

